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Prime Minister's schedule, June 2 & 3

NIKKEI (Page 2) (Full) June 4, 2008

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June 2

Afternoon

Arrived at Intercontinental Hotel in London.

Evening

Departed from Heathrow Airport.

Night

Arrived at Leonardo da Vinci Airport in Roma. Stayed at Hotel The Westin Excelsior.

June 3

Morning

Met with Sri Lankan President Rajapaksa at UNFAO headquarters. Delivered speech at Food Summit hosted by FAO.

Afternoor

Met with French President Sarkozy. Met later with Iranian President Ahmadi-Nejad. Returned to Hotel The Westin Excelsior.

Evening

Met with Italian Prime Minister Berlusconi at the prime minister's office.

4) Hiranuma asks that North Korea be kept on designated list of countries sponsoring terrorism

MAINICHI (Page 5) (Full) June 4, 2008

Independent lawmaker Takeo Hiranuma, who chairs the Abduction League, a nonpartisan group of Diet members, yesterday paid a call on U.S. Ambassador to Japan Schieffer at the Embassy to urge that North Korea not be removed from the list of countries sponsoring terrorism. Hiranuma stressed: "It is extremely regrettable that there are moves to remove it from the list." According to Hiranuma, the Ambassador reportedly replied: "The President's views have not changed from before."

5) Japan to release 300,000 tons of imported rice: Fukuda

TOKYO SHIMBUN (Top play) (Full) June 4, 2008

ROME-Prime Minister Yasuo Fukuda delivered a speech in a global food summit that opened in Rome on the morning of June 3 or on the afternoon of June 3 Japan time. In the speech, Fukuda announced a package of emergency measures to cope with skyrocketing grain prices. Specifically, Fukuda stated that Japan would release more than 300,000 tons from its stock of imported rice for countries that can hardly secure rice and that Japan would provide additional aid amounting to 50 million dollars (approximately 5.2 billion yen).

Japan, for its release of imported rice, will use rice that Japan has imported in conformity with minimum access import quotas set by the World Trade Organization (WTO).

"We will make efforts to stabilize supply and demand by improving our food self-sufficiency," Fukuda said, stressing that Japan will improve its food self-sufficiency that is now below 40 PERCENT .

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The 50 million dollars is an additional slot to help developing countries buy seedlings and fertilizers needed to expand their food production. The Japanese government has already translated its decision on emergency food aid into action, including 100 million dollars for emergency food aid and 10 million dollars intended to help developing countries step up their food production.

Fukuda advocated establishing an international system to oversee the market influx of speculative money that pushes up food prices. "We should demonstrate out strong political intention to watch," he said. He also referred to grain-producing countries that restrict their exports. "We want to call on them to abstain from taking such restrictive action," he stressed.

Biofuel production from corn and other grains has led to skyrocketing grain prices. In view of this fact, Fukuda suggested the need to study the feasibility of second-generation biofuel that is not made from food crops.

Fukuda's speech gisted

- ? Fukuda advocated establishing an international regime to oversee speculative transactions on agricultural markets.
- ? The Japanese government will release more than 300,000 tons from its stock of imported rice in emergency aid.
- its stock of imported rice in emergency aid.
 ? It is urgently necessary to study the feasibility of second-generation biofuel that is not made from food crops.
- ? Each country should abstain from restricting its food exports.
- ? Japan will outlay 50 million dollars in additional aid for more food production.
- ? Japan will improve its food self-sufficiency and contribute to the global supply and demand of food.
- ? The G-8 Toyako summit should send a strong message to resolve the food crisis.
- 6) Main points of Prime Minister Fukuda's speech at UN Food Summit; Politics needs to monitor moves for speculative food investment

NIKKEI (Page 2) (Full) June 4, 2008

The following is a gisting of Prime Minister Yasuo Fukuda's speech given at the Food Summit.

I feel a strong sense of urgency. We must put together ideas and take action. I believe the "Comprehensive Framework for Action" introduced by United Nations Secretary General Ban Ki Moon is a very important foundation.

Japan has announced it will implement emergency food aid worth \$100 million or so by July. As additional aid to poor farmers for increasing food production, Japan will immediately offer approximately \$50 million. Japan is also ready to release 300,000 tons of rice or more out of the imported rice stored by the government as emergency rice stocks. I will call on other countries to release their emergency food stocks to the international market.

If there are any speculative aspects about the current state of the food market, I deem it necessary for politics to demonstrate strong will to monitor it. We must also discuss how to build a system that can secure a political will. I'd like to call on other countries to

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use moderation in restricting exports of agricultural products.

In order to resolve the food crisis, I deem it essential for each country to strengthen its agricultural production. Japan will make efforts to contribute to stabilizing world food supply and demand by improving the food self-sufficiency. It is urgently necessary to improve agricultural productivity in developing countries. The international community needs to pay special attention to the agricultural sector and increase aid to it.

The current soaring food prices are apparently related to new factors. First, we need to seriously address measures to deal with climate change. The way developing countries are farming needs to adapt to climate change. Second, in order to avoid cases of world food security being threatened by biofuel, it is necessary to study the second-generation biofuel that will not use food for fuel and put ideas into practical use as quickly as possible so that production will be sustainable.

I am determined to jointly send a strong message in this regard at the upcoming Group of Eight Hokkaido Toyako Summit in July.

7) Food issue a difficult challenge for Japan as chair of Lake Toya Summit

NIKKEI (Page 3) (Full) June 4, 2008

(Fumiyoshi Kendo, Rome)

In a speech at a United Nations' food summit in Rome, Prime Minister Fukuda stressed his commitment to dealing with the ongoing global food crisis as the chair of the Group of Eight (G-8) Summit (Lake Toya Summit) in July. Fukuda aims at adopting a joint document on the food issue at the Lake Toya Summit, based on a declaration to be unveiled by the food summit on June 5. But it will not be easy to iron out differences in the participants' views reflecting their interests.

One of the points of contention is biofuel. Japan has been calling for research to start to develop a biofuel that does not use food crops. But since it will take time to put it to practical use, this plan will not serve to immediately resolve the ongoing dispute between the U.S. and Brazil, which are stepping up production, and countries which are calling on them to review their policy.

Meanwhile, it is necessary for the chair of the Summit to give consideration so as not to escalate the dispute. In the speech, Fukuda skipped this part: "It is true that there is a case in which biofuel production conflicts with food supply." The conflict of interest is also growing serious between developing countries suffering from a food crisis and food producing countries placing food export restrictions.

Within the nation, the prime minister will be put up to the test over agricultural reform aimed to improve the nation's food self-sufficiency, which has dropped to 39 PERCENT on a calorie basis. The Liberal Democratic Party's food strategy taskforce (headed by Koichi Kato), launched under the instruction of the prime minister, has started a discussion on reviewing such systems as supply, procurement from overseas, and stockpiling.

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For the LDP, however, agriculture is a delicate theme, as seen from the eruption of quick objections to Chief Cabinet Secretary Nobutaka Machimura's reference to a review of the current rice production adjustment. Stormy negotiations are expected in future talks on this issue.

8) Fukuda urges Iranian president to end uranium-enrichment program

YOMIURI (Page 2) (Full) June 4, 2008

(Tsuyoshi Endo, Rome)

Prime Minister Fukuda held a meeting with Iranian President Mahmoud Ahmadinejad at the Food and Agriculture Organization in Rome for about 50 minutes on the afternoon of June 3, local time. Referring to Iran's nuclear program, the prime minister said: "I ask you to suspend your nation's uranium-enrichment program." But the president indicated that Iran would continue the program, rebuking him: "It is impossible. Why do we have to end the program?" He then denied the allegation that Iran is developing nuclear weapons, saying: "Even if we possess nuclear weapons, we will not be able to use them, because such weapons are inefficient."

Fukuda also took up the incident in which a Yokohama National University student has been kidnapped for nearly eight months and asked the president to cooperate in releasing him at an early date. Ahmadinejad replied: "We are making utmost efforts to have him returned to his family.

9) Prime Minister Fukuda meets with European leaders in effort for confidence-building; Agrees with French president on cooperation to deal with climate change

NIKKEI (Page 2) (Excerpts) June 4, 2008

Fumiyoshi Indo

Prime Minister Fukuda yesterday met separately with French President Sarkozy and Italian Prime Minister Berlusconi, winding up his major events on his European tour. The prime minister apparently has now achieved his initial goal of building a personal relationship of trust with each country's leader so that he will be able to smoothly put together ideas as to how to reduce greenhouse gas emissions at the Upcoming Group of Eight (G-8) Hokkaido Toyako Summit in July.

In the Japan-France summit talks, both leaders confirmed a plan to discuss measures for the international community to deal with soaring oil prices. Sarkozy sought to establish a framework that will involve all major emitters of greenhouse gases. In response, Fukuda promised to work together with the president on this matter.

Sarkozy suggested expanding the G-8 summit framework, an idea he has previously advocated. Fukuda told Sarkozy: "I think it is meaningful for a limited number of leaders of major countries to exchange views frankly. One idea is to have discussion with emerging economies at an expanded summit forum." Sarkozy also indicated his continued intention to give strong support to Japan's bid for a permanent seat on the United Nations Security Council.

For Fukuda, who is to host the upcoming G-8 Summit, his tour of

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Europe this time is an important opportunity. Fukuda previously had telephone conferences with German Chancellor Merkel and British Prime Minister Brown, but until recently he has not met with them. During this European tour, Fukuda had his first conversations with Salkozy and Berlusconi respectively.

It would be difficult to produce successful results without personal relationships of trust with other countries' leaders. So, Fukuda prioritized his European tour this time over the political calendar at home, such as Diet discussions in the latter days of the Diet session. Some meetings with leaders of European countries did not last for one hour, but Fukuda has now accomplished his goal of meeting with as many leaders as possible.

10) Former Vice Foreign Minister Nogami becomes advisor to Mizuho Corporate Bank

NIKKEI (Page 7) (Full) June 4, 2008

Mizuho Corporate Bank announced yesterday that it has appointed former Vice Foreign Minister Yoshiji Nogami, 65, as its adviser. He will offer advice to the bank's management regarding its international strategy.

Nogami, a former Economic Affairs Bureau chief and deputy foreign minister for economic affairs, is an expert on the economy. He is also well-versed in the political and economic situations in the Middle East, a region in which the bank is trying to shore up its operations. Nogami assumed the post this week in compliance with the bank's request. Nogami became vice foreign minister in 2001. He resigned from the post the following year due to a conflict with then Foreign Minister Makiko Tanaka. Afterward, he served as minister and then ambassador to Britain until May this year.

11) Government to start discussion on land-based reconstruction activities in Afghanistan

NIKKEI (Page 2) (Excerpts) June 4, 2008

The government will start a full-scale discussion on land-based reconstruction aid in Afghanistan. Reflecting industrialized countries' strong awareness that stabilizing Afghanistan is indispensable for success in the fight against terrorism, the government is considering the possibility of dispatching Ground Self-Defense Force (GSDF) troops to Afghanistan. With an eye on the expiration next January of the special law to allow the Maritime Self-Defense Force's refueling mission in the Indian Ocean, the government aims to prepare more options in an effort to obtain support from the Democratic Party of Japan for its plan to extend the MSDF mission.

In a speech in late May, Chief Cabinet Secretary Nobutaka Machimura said: "The government is about to start a discussion on the possibility of Japan's ground-based personnel contributions in Afghanistan." Set off by this, Foreign Minister Masahiko Koumura also said in a press conference yesterday: "The government has already discussed what Japan can do for Afghanistan from a broad point of view."

Observers expect that the government will consider having GSDF

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troops provide logistic support to the International Security Assistance Force (ISAF) under the North Atlantic Treaty Organization (NATO) or provincial reconstruction teams (PRT). The government had previously insisted that the GSDF is not constitutionally allowed to take part in ISAF, which is engaged in security operations. But a government source said: "If activities are limited to backup support in noncombat areas, there will be no problem legally."

Negotiations on GSDF troops' land-based activities in Afghanistan will unavoidably run into trouble. A new law will become necessary if a decision is made to dispatch GSDF troops. The government will be required to enact new legislation or to revise the law endorsing the MSDF refueling mission in the Indian Ocean. Either way, the government will have to engage in difficult coordination with the Democratic Party of Japan, which has control of the House of Councillors.

12) China may be testing ballistic missiles in the Yellow Sea

SANKEI (Top play) (Excerpts) June 4, 2008

It was learned yesterday from intelligence analysis by the Defense Ministry and the U.S. Forces Japan that there is a high probability China's Navy in late May carried out the testing of ballistic missiles (SLBM), scheduled to be mounted on state-of-the-art submarines, in the Yellow Sea in a direction facing west toward the Korean Peninsula. The SLBMs that were launched appear to have been JL2 types now being developed. An investigation and analysis has begun on the details by the Defense Ministry's Intelligence Headquarters and other offices.

According to the Defense Ministry, the missile launch was carried out on May 29. They were launched from a Golf-class ballistic missile submarine constructed for use in developing the JL2 missiles. The JL2 missile has a range of 8,000 kilometers, placing a portion of the U.S. mainland under its range. Reportedly, the

missile will be mounted on an atomic powered submarine that is the Chinese Navy's newest model, the 094-type.

13) Japan, U.S. may review Pacific strategy

SANKEI (Page 1) (Full) June 4, 2008

China is believed to have test-launched a new submarine-launched ballistic missile (SLBM) in the midst of relief activities for Sichuan earthquake victims. This will likely have major repercussions not only on Japan and the United States but also on Taiwan and other neighbors, including India.

China has now brought its new nuclear-powered submarine, which is called Type 094 and loaded with the Julang-2, to the island of Hainan, where China's South Sea Fleet is based. This is more evidence that clearly shows China's south-oriented strategy.

On their way to Pacific waters, nuclear-powered submarines with China's North Sea Fleet and conventional-type submarines with its East Sea Fleet pass through Japan's southwestern islands, where Japan and the United States are conducting warning and surveillance activities. They could be therefore spotted easily.

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However, Japan and the United States are less wary of naval moves in the southern waters down from Hainan. It is easy to pass through the Bashi Channel between Taiwan and the Philippines, as the waters there are deep. Moreover, Hainan is also situated near the disputed Spratly Islets.

Hainan Island is a strategic keystone that is indispensable for the defense of sealanes from the Indian Ocean to China's mainland through the Straits of Malacca.

A 094-Type (Jin-class) nuclear-powered submarine loaded with Julang-2 missiles, if deployed to Hainan Island, could cover some parts of the U.S. mainland. In addition, India will be also within range. India is considerably wary of China's deployment of a Jin-class nuclear-powered submarine to Hainan Island.

Jane's Intelligence Review, a British journal on military affairs, says the Chinese navy has tunneled a hill in Hainan Island's southern coastal city of Sanya to build a large underground submarine base.

A submarine surfaces when leaving and returning to port, so it can be spotted by a military satellite. However, a satellite cannot detect underground-based submarines. The U.S. Navy and the Maritime Self-Defense Force, which are wary of China's naval advance into the Pacific Ocean, will therefore likely be urged to review their Pacific strategy.

14) Secret pact on contingency on Korean Peninsula discovered; Prior consultations unnecessary for U.S. military activities

ASAHI (Page 1) (Excerpts) June 4, 2008

A book of minutes on a contingency plan for the Korean Peninsula -- a secret Japan-U.S. agreement -- allowing the United States to use U.S. bases in Japan without prior consultations with Japan in the event of a contingency on the peninsula has been found at the University of Michigan Gerald R. Ford Presidential Library. Although the existence of a secret pact has widely been believed from connected U.S. government documents, this is the first time that the full text of the pact has become clear. The Japanese government has consistently denied the existence of such a pact.

The document in question is a book of minutes dated June 23, 1960, signed by then Foreign Minister Aiichiro Fujiyama and then U.S. Ambassador to Japan Douglas MacArthur II. The minutes have been attached to a memorandum on the use of U.S. bases in Japan in the event of a contingency on the Korean Peninsula in 1974, in the

closing days of the Nixon administration. They appear to be documents handed down to the incoming Ford administration. They were declassified in March 2005. Nagoya University Graduate School Professor Mikio Haruna obtained copies of the documents at the presidential library in late February this year.

The minutes consist of two pages of statements made by Fujiyama and MacArthur at the Japan-U.S. Security Consultative Committee preparatory meeting held on June 23, 1960. Regarding exceptional measures in an emergency situation resulting from an attack on UN troops in South Korea, Fujiyama, while prefacing that he was commissioned by then Prime Minister Kishi, stated the Japanese government's view that (the United States) was allowed to use

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facilities and areas in Japan for military operations that must be carried out immediately. The minutes were signed by Fujiyama and MacArthur.

The full text of the minutes is attached to the 1974 memorandum that says, "This is to allow U.S. forces in Japan to embark on military operations without prior consultations with the Japanese government in the event of a contingency on the Korean Peninsula." (The United States) was considering whether to obtain approval from Japan for an extension of the minutes.

Comment by University of the Ryukyus Professor Masaaki Gabe: The documents have probably been declassified because given the Law on Situations in Areas Surrounding Japan, there is no longer a need for the secret pact. From what was discussed between Japan and the United States back then, it is clear that to the United States, the largest objective of U.S. bases in Japan was directly linked to a contingency on the Korean Peninsula.

15) Government decides to include emissions trading scheme in "Fukuda Vision" of global warming measures: Steel, power companies conditionally agree

NIKKEI (Top Play) (Abridged slightly) June 4, 2008

The government has decided to include in the "Fukuda Vision" of global warming measures to be mapped out in mid-June a policy of incorporating a plan to consider adopting an emissions trading system applied to domestic emissions of greenhouse gases. The move is due to leading steel and power companies, including Nippon Steel and TEPCO, having switched their stance to conditionally accepting the introduction of the system. The government also plans to come up with a long-term goal of cutting domestic emissions by 60 PERCENT to 80 PERCENT by 2050. The next focus of attention will be how to map out a mid-term goal covering the 2020-2030 period.

Still opposition to mandatory emissions cuts

The Fukuda Vision is aimed at underscoring Japan's stance of tackling the creation of a post-Kyoto Protocol framework for emissions cuts starting in 2010 in the run-up to the G-8 to be held in Hokkaido in July.

The steel industry is Japan's largest emitter, accounting for about 10 PERCENT of domestic carbon emissions. It has thus far been opposing the adoption of emissions trading, noting that if such a system is adopted, production would be increasingly transferred abroad, causing a decline in the Japanese steel industry's international competitiveness and putting a dent in domestic employment. The power industry has also pointed out that the adoption of the system would make it difficult for it to make capital investment from a long-term perspective.

Nippon Steel will start full-fledged talks with the government on the creation of a system and when to adopt it through the Japan Iron and Steel Federation and power companies through the Federation of Electric Power Companies of Japan. Both industries are strongly opposed to the government setting mandatory emissions quotas. They intend to seek the flexible imposition of emissions quotas that reflect emissions reduction efforts by manufacturers.

Prime Minister Yasuo Fukuda on May 21 indicated eagerness to adopt an emissions trading scheme, noting, "Such a system will become necessary over the next five to ten years."

16) Opposition camp is hurrying to adopt bill scrapping the medical system for the elderly over 75

ASAHI (Page 4) (Excerpt) June 4, 2008

With the Diet session soon to close, maneuvering between the ruling and opposition camps has been intensifying. The four opposition parties, which have agreed to scrap the system of medical services set up for the elderly over 75, are planning to heighten their attacks on the ruling parties, with the possibility of filing a censure motion against the prime minister in mind. Meanwhile, the ruling parties, concerned that it is losing popular support, is rushing to revise the controversial system.

17) DPJ likely to forgo submitting censure motion against prime minister to current Diet session

NIKKEI (Page 2) (Full) June 4, 2008

The view gained ground yesterday in the main opposition Democratic Party of Japan (DPJ) that the party should forgo plans to submit to the House of Councillors a censure motion against Prime Minister Yasuo Fukuda during the current Diet session. The reason is that it does not appear likely that the DPJ will be able to force a dissolution of the House of Representatives and a snap election, because a censure motion has no binding force. A senior party member clearly stated yesterday: "A motion should not be submitted." The prevailing view in the party is that a censure motion should be saved until an extraordinary session of the Diet.

Since some in the party advocate taking a hard line, the DPJ leadership will make a final decision after seeing the public response to the new health insurance scheme for those aged 75 or older, as well as the prime minister's stance in a party-head debate on June 11.

President Ichiro Ozawa stated in a press meeting yesterday in Sendai City: "Depending on the circumstances, the party leadership will make a decision."

18) Ozawa says DPJ will oppose consumption tax hike in Lower House election

SANKEI (Page 5) (Full) June 4, 2008

When asked about his party's position on a consumption tax hike issue at a press conference in the city of Sendai, Democratic Party of Japan (DPJ) President Ichiro Ozawa stated yesterday:

"What should be done at first are to end the waste of tax money and to slim down the corrupted government offices. Otherwise, we won't be able to get public understanding for the tax systems. By strictly eliminating the waste of tax money, the state will have huge financial resources for the time being. We will play this up in the next House of Representatives election."

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Ozawa indicated that the largest opposition party would incorporate its position of opposing a consumption tax increase and of keeping the present tax rate as is in its manifesto (a set of campaign pledges) for the next Lower House election similar to what it did in last year's House of Councillors election.

He emphasized that the DPJ would push ahead with measures to slim down the government offices by shedding light on how tax money has been wasted, and by providing local governments with government subsidies in a lump sum, and that the party would implement decentralization before raising taxes.

In a meeting to exchange views with residents in Sendai City, which took place before the press conference, Ozawa said: "When money is lacking even after making efforts to putting an end to a waste of money, we will then ask the public about a consumption tax hike."

19) DPJ President Ozawa resumes stumping nationwide

YOMIURI (Page 4) (Full) June 4, 2008

Democratic Party of Japan (DPJ) President Ichiro Ozawa has resumed his nationwide stumping tour for the next House of Representatives election, visiting yesterday Miyagi Prefecture. He plans to visit 12 prefectures, including Niigata and Fukuoka, in about a month, ending his tour on July 1. He is expected to exchange views there with senior members of regional chapters of Rengo (Japan Trade Union Confederation). While many in the ruling parties are now in favor of putting off a Lower House election, it seems Ozawa is still trying to force an early dissolution of the Lower House.

Holding yesterday a meeting with elderly people in Sendai, Ozawa there played up his party's policy, saying: "Without a consumption tax hike, we will be able to survive for the time being if (the government offices) stop wasting money." He afterwards held a press conference in the city, in which he said:

"Our target is to win a majority of the single-seat constituencies of all the prefectures. (There are a total of 25 single-seat districts.) We want to secure more than 13 seats in the Tohoku region."

The DPJ will hold its party leadership race in September. Some in the party view that Ozawa is fretting about strengthening his political footing for a third term by stumping local areas.

20) 21st Century Ad Hoc Council for Promotion of Administrative Reform urges political parties to map out manifesto at early date - proposal for realizing election for voters to choose LDP or DPJ

SANKEI (Page 5) (Full) June 4, 2008

The National Council to Create a New Japan (joined by 21st Century Ad Hoc Council for Promotion of Administrative Reform Co-Chairman Takeshi Sasaki, former President of Tokyo University, Masaru Nishio, executive director of the Tokyo Institute for Municipal Research, and others) yesterday released a set of emergency proposals regarding the current party politics. The report seeks political parties to formulate a manifesto for the next Lower House election

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at an early date.

The set of proposals stresses the need for an election for voters to choose whether it will be the Liberal Democratic Party (LDP) or the Democratic Party of Japan (DPJ or Minshuto), based on policy debate, saying that with the emergence of various challenges, such as social security and environmental issues, the stage in which (the LDP) can manage the administration, emboldened by its victory in the postal privatization election in 2005 is over. The panel notes in the report that it expects various political parties will deepen their shared perception and intraparty discussion through the Sentaku (the word has a double meaning -- 'choice' and 'cleaning up') Lawmakers Federation," a suprapartisan organization teamed up with the "Sentaku," a national movement organization under the 21st Century Ad Hoc Council. The report also includes a plan to host a manifesto formulation promotion rally between October and November this year, inviting responsible persons from various political parties. The report also says that a full-fledged policy discussion will be necessary for the DPJ presidential election slated for September, as

it is a venue where the DPJ's candidate for the premiership is finally decided, adding that it is ready to host a debate session joined by candidates for the premiership from all political parties.

21) Farm policy clique in the Diet blasts Chief Cabinet Secretary Machimura for calling for revision of rice acreage reduction program

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Chief Cabinet Secretary Nobutaka Machimura in a speech on May 31 noted, "It is a waste for Japan to adopt a farm acreage reduction policy when some countries are suffering from food shortages. Japan might be able to help ease the sharp rise in food prices in the world if it revises its acreage reduction policy." This statement has created quite a stir.

The Liberal Democratic Party (LDP) agricultural policy clique has lashed out fiercely at Machimura's statement. Former Secretary General Koichi Kato blasted Machimura's proposal: "His idea is for Japan to send rice abroad as aid. It is a proposal like a household receiving social welfare payments donating 100,000 yen to a community festival." Former Secretary General Tsutomu Takebe during the party officers' liaison council meeting also criticized Machimura's statement, saying, "I want him to be cautious when he makes such a statement, because rice prices could plummet as a result." Secretary General Bunmei Ibuki during a press conference the same day complained: "His proposal may be correct over the long term. However, if it creates a misperception that it is a short-term policy, agricultural policy would be undermined."

Following those critical remarks, Machimura during a press briefing the same day explained, "I did not say that the acreage reduction policy should be revised this year."

SCHIEFFER